

29 FEB 1984

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personnel
general*

MEMORANDUM FOR: Deputy Director of Personnel for Special Programs

Deputy Director of Personnel for Policy, Analysis, and Evaluations

STAT FROM:

Liaison Division
Office of Legislative Liaison

SUBJECT: The Civil Service Amendments Act of 1984
(previously the Merit Pay Reform Act of 1983)

REFERENCE: Memo to DD/PERS/SP and DD/PERS/PA&E, dated
24 January 1984; subj: Merit Pay

1. Attached for your information and use are copies of S.958, as modified by the Senate Committee on Governmental Affairs, and of a further amendment, to be introduced on the floor either tomorrow (1 March 1984) or early next week. The amendment to be introduced on the floor results from dissatisfaction with the Committee-amended bill on the part of the Administration. The compromises were negotiated with the Office of Personnel Management and, when accepted, will ensure Administration support of the bill.

2. While the Agency continues to be exempt from existing and prospective Merit Pay legislation, there are some interesting changes embodied in the to-be-introduced amendment. Also, please carefully note the changes made to existing Senior Executive Service legislation, which liberalize the amount of money available for bonuses (an increase from 2% of executive pay to 3% of same) and eliminates the limitation on the number of SES'ers who may receive bonuses (the limitation now being entirely monetary, as soon as the bill is enacted).

3. I will continue to follow this legislation and will report its progress as appropriate.

STAT



Attachments:
As stated

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S. C.

AMENDMENT NO. ____

Calendar No. ____

Purpose: To make technical and clarifying amendments.

IN THE SENATE OF THE UNITED STATES--98th Cong., 2d Sess.

S. 958

To amend chapter 54 of title 5, United States Code, to reform the merit pay system.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

Amendments intended to be proposed by Mr. Stevens

Viz:

1 On page 24, beginning with line 8, strike out all through
2 page 25, line 2, and insert in lieu thereof the following:

3 "(d) (1) Subject to paragraph (3) of this subsection,
4 under regulations issued by the Office of Personnel
5 Management, the rate of basic pay of an employee who is
6 covered by this chapter and whose rate of basic pay is less
7 than the maximum rate of basic pay provided for the grade of
8 the position of such employee under section 5332 of this
9 title shall be increased each year as provided in paragraph
10 (2) of this subsection, effective on the first day of the
11 first applicable pay period commencing on or after October 1
12 of such year.

13 "(2) (A) For the purposes of this paragraph, the term
14 'reference amount', when used with respect to the rate of
15 basic pay of an employee covered by this chapter, means the
16 amount equal to the sum of--

17 "(1) the minimum rate of basic pay provided under
18 section 5332 of this title for the grade of the position
19 of the employee; and

20 "(11) one-third of the difference between the
21 maximum rate of basic pay provided for such grade under
22 such section and such minimum rate of basic pay.

23 "(B) If the rate of basic pay of an employee to whom

1 paragraph (1) of this subsection applies does not exceed the
2 reference amount on the day before the effective date
3 described in such paragraph and the performance of the
4 employee is rated at the fully successful level ^{or higher} under the
5 provisions of chapter 43 of this title or an equivalent
6 rating system for the latest period ending before such
7 effective date, the rate of basic pay of the employee shall
8 be increased by an amount equivalent to a periodic step-
9 increase provided under section 5332 of this title.

10 '(C) If the rate of basic pay of an employee to whom
11 paragraph (1) of this subsection applies exceeds the
12 reference amount on the day before the effective date
13 described in such paragraph and the performance of the
14 employee is rated under the provisions of chapter 43 of this
15 title or an equivalent rating system for the latest rating
16 period ending before such effective date--

17 '(i) at the level two levels above the fully
18 successful level, the rate of basic pay of the employee
19 shall be increased by an amount equivalent to a periodic
20 step-increase provided under section 5332 of this title;

21 '(ii) at the level one level above the fully
22 successful level, the rate of basic pay of the employee
23 shall be increased by an amount equivalent to one-half of
24 a periodic step-increase provided under such section; or

25 '(iii) at the fully successful level, the rate of
26 basic pay of the employee shall be increased by an amount
27 equivalent to one-third of a periodic step-increase
28 provided under such section.

29 '(3) The amount of an increase in the rate of basic pay
30 of an employee under paragraph (1) of this subsection is
31 limited to the amount equal to the difference between the
32 maximum rate of basic pay provided for the grade of the
33 position of such employee under section 5332 of this title
34 and the rate of basic pay of the employee as in effect before

1 the increase.

2 On page 26, line 5, strike out ``1 percent`` and insert
3 in lieu thereof ``three-fourths of one percent``.

4 On page 26, line 8, beginning with ``The``, strike out
5 all through line 11.

6 On page 26, between lines 11 and 12, insert the
7 following:

8 `` (D) During the first fiscal year beginning on or after
9 the effective date of the amendments made by section 101 of
10 the Civil Service Amendments of 1984 and during each of the
11 next four fiscal years thereafter, the head of each agency of
12 the Government employing employees to whom this section
13 applies should, to the extent determined practicable by the
14 head of such agency, pay performance awards under such
15 section 5403 (e) in amounts totalling at least one and one-
16 half percent of the aggregate amount of basic pay which is
17 payable to such employees during such fiscal year.

18 On page 26, line 22, strike out ``under`` and insert in
19 lieu thereof ``Under``.

20 On page 30, strike out lines 17 through 23, and insert in
21 lieu thereof the following:

22 `` (a) For the purposes of this section, the term 'system
23 termination date' means the date which is five years after
24 the date of enactment of the Civil Service Amendments of
25 1984.

26 `` (b) The provisions of this chapter other than section
27 5404 of this title shall not be effective after the system

1 termination date. Notwithstanding the preceding sentence, the
2 term 'employee covered by the performance management and
3 recognition system', as used in such section, shall refer to
4 any individual described in section 5402 (a) of this title as
5 in effect on the day before the system termination date.''.
6

6 On page 31, strike out lines 4 through 15.

7 On page 31, line 17, strike out ''103.'' and insert in
8 lieu thereof ''102.''.
9

9 On page 34, strike out lines 12 through 25 and insert in
10 lieu thereof the following:

11 ''(C) may be reviewed by an officer or employee of
12 the agency in accordance with the procedures established
13 by the Office of Personnel Management;

14 ''(D) shall, on request of the employee whose
15 performance is appraised, be reconsidered by an officer
16 or employee of the agency in accordance with procedures
17 established by the Office of Personnel Management; and

18 ''(E) may not be appealed outside the agency.

19 ''(2) A reconsideration of an appraisal under paragraph
20 (1) (D) of this subsection may be made only by an officer or
21 employee who is in a higher position in the agency than each
22 officer or employee who made, reviewed, or approved the
23 appraisal.

24 On page 35, line 12, strike out ''104.'' and insert in
25 lieu thereof ''103.''.
26

26 On page 37, line 1, insert ''(1)'' after ''(e)''.
27

1 On page 37, between lines 14 and 15, insert the following
2 new paragraph:

3 (2) Subsection (c) of such section is amended to read as
4 follows:

5 "(c) A career appointee is entitled to appeal to the
6 Merit System Protection Board under section 7701 of this
7 title whether the reduction in force complies with the
8 competitive procedures required under subsection (a) of this
9 section."

10 On page 37, line 16, beginning with "adding", strike
11 out all through "\$ 3597." on line 18, and insert in lieu
12 thereof the following: "inserting before section 3596 of
13 such title the following new section:
14 "\$ 3595a."

15 On page 38, line 6, insert end quotation marks and a
16 period after "title."

17 On page 38, strike out lines 7 through 13.

18 On page 38, strike out the matter between lines 16 and 17
19 and insert in lieu thereof the following:

"3595a. Furlough in the Senior Executive Service."

20 On page 38, line 19, strike out "3" and insert in lieu
21 thereof "5".

22 On page 39, strike out lines 1 and 2, and insert in lieu
23 thereof the following:

1 exceed the greater of--

2 “(A) the amount equal to 3 percent of the sum of the
3 annual rates of basic pay payable to the career
4 appointees in such agency during such fiscal year; or
5 “(B) the amount equal to 15 percent of the average
6 of the annual rates of basic pay payable to such career
7 appointees during such fiscal year.”.

8 On page 39, line 3, strike out “(k)” and insert in lieu
9 thereof “(h)”.

10 On page 39, line 4, strike out “(h)” and insert in lieu
11 thereof “(l)”.

12 On page 39, line 8, beginning with “(l)”, strike out
13 all through “hearing,” on line 9, and insert in lieu
14 thereof “(j) The Office of Personnel Management shall,
15 pursuant to the provisions of subchapter II of chapter 5 of
16 title 5, United States Code,”.

17 On page 39, line 12, strike out “(j) Subsection (d) of
18 section 8335”, and insert in lieu thereof “(k) Subsection
19 (d) of section 8336”.

20 On page 39, line 13, strike out “paragraph (1)” and
21 insert in lieu thereof “the first sentence”.

22 On page 39, line 15, insert “to a position outside the
23 commuting area of the employee concerned” after
24 “reassignment”.

1 On page 39, line 16, insert "moved outside such area"
2 after "position".

3 On page 39, between lines 18 and 19, insert the
4 following:

5 (1) (1) Subsection (a) of section 3395 of such title is
6 amended--

7 (A) In paragraph (2), by striking out "(2) A
8 career" and inserting in lieu thereof "(2) (A) Except
9 as provided in subparagraph (B) of this paragraph, a
10 career"; and

11 (B) by inserting after paragraph (2) (A) (as amended
12 by subparagraph (A) of this paragraph) the following new
13 subparagraph:

14 "(B) A career appointee may be reassigned or transferred
15 under this subsection or any other provision of law to a
16 Senior Executive Service position outside the career
17 appointee's commuting area only if the career appointee
18 receives advance written notice of the reassignment not less
19 than 30 days before the effective date of such reassignment.
20 The notice shall include a statement setting forth specific
21 reasons for the reassignment outside such area."

22 (2) Section 3397 of such title is amended by adding at
23 the end thereof the following new sentence: "Such
24 regulations shall include provisions to carry out section
25 3395 (a) (2) (B) of this title."

26 On page 39, line 20, strike out "105." and insert in
27 lieu thereof "104."

28 On page 40, line 15, strike out "SAVINGS" and insert in
29 lieu thereof "TRANSITION".

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1 On page 40, line 19, strike out ``105`` and insert in
2 lieu thereof ``104``.

3 On page 40, strike out line 22 and all that follows
4 through page 41, line 18, and insert in lieu thereof the
5 following:

6 TRANSITION PROVISION

7 Sec. 202. Effective on the effective date of the
8 amendments made by section 101, the rate of basic pay of each
9 employee of the Government who was covered by the merit pay
10 system under chapter 54 of title 5, United States Code, on
11 the day before such effective date shall be the rate of basic
12 pay of such employee as in effect on such day.